

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

DRAFT
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BILL 1

LLS NO. 18-0243.01 Esther van Mourik x4215

COMMITTEE BILL

County Courthouse and County Jail Funding and Overcrowding Solutions
Interim Study Committee

BILL TOPIC: "Financial Assistance For County Jails & Courts"

A BILL FOR AN ACT

101 **CONCERNING THE PROVISION OF FINANCIAL ASSISTANCE TO COUNTIES**
102 **FOR COUNTY FACILITIES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

County Courthouse and County Jail Funding and Overcrowding Solutions Interim Study Committee. Current law tasks the underfunded courthouse facility cash fund commission to evaluate grant applications and issue grants to counties for underfunded courthouse facilities through master planning services, matching funds or leverage grant funding opportunities, or for addressing emergency needs

*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

due to the imminent closure of a court facility.

The bill changes the name of the commission and the fund and expands the responsibilities of the commission to include jails in addition to court facilities. Additionally, the bill allows grants to be issued for up to 50% of a county's annual voter-approved debt service on any county-approved financing of the construction or remodeling costs of a court or jail facility. The bill also creates a low-interest loan program to be administered by the commission whereby counties may apply for low-interest loans to finance the capital construction or remodeling costs of a court or jail facility.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **amend** 13-1-301 as
3 follows:

4 **13-1-301. Legislative declaration.** (1) The general assembly
5 hereby finds that:

6 (a) Providing access to state court AND JAIL facilities and ensuring
7 the safety of employees and other users of state court AND JAIL facilities
8 are fundamental components of ensuring access to justice for the people
9 of the state of Colorado;

10 (b) Recent years have seen numerous occasions in which
11 ~~courthouse~~ COURT AND JAIL FACILITY repair, renovation, improvement,
12 and expansion needs have become important priorities for judicial
13 districts and the counties they serve;

14 (c) In some cases these needs result from anticipated causes, such
15 as expanding caseloads, the allocations of new judges to the district, or
16 the aging of existing ~~courtroom~~ COURT AND JAIL facilities and the
17 attendant need to bring them up to current operational and safety
18 standards;

19 (d) In other cases the needs are driven by unexpected events, such
20 as natural disasters, accidents, or the discovery of previously unknown

1 threats to health and safety; and

2 (e) While the responsibility for providing adequate ~~courtrooms~~
3 ~~and other~~ court AND JAIL facilities lies with county governments, the
4 geographically, demographically, and economically diverse nature of our
5 state affects the level of funding and services that each county can
6 provide.

7 (2) The general assembly, therefore, determines and declares that:

8 (a) The creation of the underfunded ~~courthouse~~ COURT AND JAIL
9 facility cash fund commission and the underfunded ~~courthouse~~ COURT
10 AND JAIL facility cash fund is beneficial to and in the best interests of the
11 people of the state of Colorado; and

12 (b) The purpose of the commission and the fund is to provide
13 supplemental funding for ~~courthouse~~ COURT AND JAIL facility projects in
14 the counties with the most limited financial resources.

15 **SECTION 2.** In Colorado Revised Statutes, 13-1-302, **amend** (1),
16 (3), and (4) as follows:

17 **13-1-302. Definitions.** As used in this part 3, unless the context
18 otherwise requires:

19 (1) "Commission" means the underfunded ~~courthouse~~ COURT AND
20 JAIL facility cash fund commission created in section 13-1-303.

21 (3) "Fund" means the underfunded ~~courthouse~~ COURT AND JAIL
22 facility cash fund created in section 13-1-304.

23 (4) "Imminent closure of a court OR JAIL facility" means a court OR
24 JAIL facility with health, life, or safety issues that impact court OR JAIL
25 employees, JAIL INMATES, or other ~~court~~ users and that is designated for
26 imminent closure by A COUNTY OR the state court administrator in
27 consultation with the state's risk management system or other appropriate

1 professionals. Health, life, or safety issues include air quality issues,
2 water intrusion problems, temperature control issues, structural conditions
3 that cannot reasonably be mitigated, fire hazards, electrical hazards, and
4 utility problems. Certain health, life, or safety issues may require
5 additional third-party evaluations such as an environmental or structural
6 engineering review.

7 **SECTION 3.** In Colorado Revised Statutes, 13-1-303, **amend** (1)
8 and (6) as follows:

9 **13-1-303. Underfunded court and jail facility cash fund**
10 **commission - creation - membership.** (1) There is hereby created in the
11 judicial department the underfunded ~~courthouse~~ COURT AND JAIL facility
12 cash fund commission to evaluate grant AND LOAN applications received
13 pursuant to this part 3 and make recommendations to the state court
14 administrator for awarding grants AND LOANS from the underfunded
15 ~~courthouse~~ COURT AND JAIL facility cash fund based on the statutory
16 criteria set forth in section 13-1-305. The commission shall be appointed
17 no later than July 1, 2014.

18 (6) In accordance with the principles set out in ~~section 13-1-305~~
19 THIS PART 3, the commission shall adopt guidelines prescribing the
20 procedures to be followed in making, filing, and evaluating grant AND
21 LOAN applications, the criteria for evaluation, and other guidelines
22 necessary for administering the ~~program~~ GRANT AND LOAN PROGRAMS.

23 **SECTION 4.** In Colorado Revised Statutes, **amend** 13-1-304 as
24 follows:

25 **13-1-304. Underfunded court and jail facility cash fund -**
26 **creation - grants - loans - regulations.** (1) (a) There is hereby created
27 in the state treasury the underfunded ~~courthouse~~ COURT AND JAIL facility

1 cash fund that consists of any ~~moneys~~ MONEY appropriated by the general
2 assembly to the fund. The ~~moneys~~ MONEY in the fund ~~are~~ IS subject to
3 annual appropriation by the general assembly for the implementation of
4 this part 3. The state court administrator may accept gifts, grants, or
5 donations from any private or public source for the purpose of
6 implementing this part 3. All private and public ~~moneys~~ MONEY received
7 by the state court administrator from gifts, grants, or donations must be
8 transmitted to the state treasurer, who shall credit the same to the fund in
9 addition to any ~~moneys~~ MONEY that may be appropriated to the fund
10 directly by the general assembly. All investment earnings derived from
11 the deposit and investment of ~~moneys~~ THE MONEY in the fund, INCLUDING
12 ANY INTEREST EARNINGS ON THE LOANS ISSUED AS ALLOWED IN SECTION
13 13-1-305.5, remain in the fund and may not be transferred or revert to the
14 general fund at the end of any fiscal year. Any unexpended and
15 unencumbered ~~moneys~~ MONEY remaining in the fund at the end of any
16 fiscal year shall remain in the fund and shall not be credited or transferred
17 to the general fund or any other fund.

18 (b) IN ADDITION TO ANY OTHER TRANSFERS TO THE FUND FROM
19 THE GENERAL FUND OR ANY OTHER FUND, COMMENCING WITH THE
20 2018-19 STATE FISCAL YEAR THROUGH THE 2022-23 STATE FISCAL YEAR
21 THE STATE TREASURER SHALL ANNUALLY TRANSFER THIRTY MILLION
22 DOLLARS FROM THE GENERAL FUND TO THE UNDERFUNDED COURT AND
23 JAIL FACILITY CASH FUND TO BE USED AS FOLLOWS:

24 (I) TEN MILLION DOLLARS ANNUALLY FOR GRANTS TO PAY UP TO
25 FIFTY PERCENT OF A COUNTY'S ANNUAL VOTER-APPROVED DEBT SERVICE
26 ON ANY COUNTY-APPROVED FINANCING OF THE CONSTRUCTION OR
27 REMODELING COSTS OF A COURT OR JAIL FACILITY;

1 (II) TEN MILLION DOLLARS ANNUALLY FOR LOW-INTEREST LOANS
2 AS ALLOWED IN SECTION 13-1-305.5 FOR CAPITAL CONSTRUCTION OR
3 REMODELING COSTS OF ANY COURT FACILITY; AND

4 (III) TEN MILLION DOLLARS ANNUALLY FOR LOW-INTEREST LOANS
5 AS ALLOWED IN SECTION 13-1-305.5 FOR CAPITAL CONSTRUCTION OR
6 REMODELING COSTS OF ANY JAIL FACILITY.

7 (2) (a) ~~Moneys~~ MONEY from the fund that ~~are~~ IS distributed to
8 counties IN THE FORM OF A GRANT pursuant to this part 3:

9 (I) May ~~only~~ be used for commissioning master planning services,
10 matching funds or leveraging grant funding opportunities for construction
11 or remodeling projects, or addressing emergency needs due to the
12 imminent closure of a court OR JAIL facility;

13 (II) MAY BE USED TO PAY UP TO FIFTY PERCENT OF A COUNTY'S
14 ANNUAL VOTER-APPROVED DEBT SERVICE ON ANY COUNTY-APPROVED
15 FINANCING, INCLUDING A LOW-INTEREST LOAN ALLOWED IN SECTION
16 13-1-305.5, FOR CAPITAL CONSTRUCTION OR REMODELING COSTS OF A
17 COURT OR JAIL FACILITY PURSUANT TO THIS PART 3;

18 (III) ~~Moneys from the fund~~ May not be allocated for the purchase
19 of furniture, fixtures, or equipment or as the sole source of funding for
20 new construction; AND

21 (IV) ~~Moneys from the fund~~ May not be allocated as the sole
22 source of funding for remodeling, unless the need for funding is
23 associated with the imminent closure of a court OR JAIL facility.

24 (b) MONEY FROM THE FUND THAT IS DISTRIBUTED TO COUNTIES IN
25 THE FORM OF A LOW-INTEREST LOAN TO COUNTIES PURSUANT TO THIS
26 PART 3 MAY ONLY BE USED FOR NEW CONSTRUCTION OR REMODELING OF
27 A COURT OR JAIL FACILITY AND MAY NOT BE USED FOR THE PURCHASE OF

1 FURNITURE, FIXTURES, OR EQUIPMENT.

2 (3) All ~~moneys~~ MONEY credited to the fund ~~shall be~~ IS available
3 for grants OR LOANS awarded by the state court administrator, based on
4 recommendations of the commission, to counties for the purposes
5 described in this part 3; except that the state court administrator may use
6 a portion of the ~~moneys~~ MONEY annually appropriated from the fund for
7 administrative costs incurred ~~through~~ FOR the implementation of this part
8 3. The state court administrator, subject to annual appropriation by the
9 general assembly, may expend ~~moneys~~ MONEY appropriated from the fund
10 pursuant to this part 3.

11 **SECTION 5.** In Colorado Revised Statutes, 13-1-305, **amend** (1),
12 (2), (3), and (4) introductory portion; and **add** (2)(a)(IV) and (5) as
13 follows:

14 **13-1-305. Grant applications - duties of counties.** (1) To be
15 eligible for ~~moneys~~ GRANTS from the fund, a county must apply to the
16 commission through the state court administrator, using the application
17 form provided by the commission, in accordance with the timelines and
18 guidelines adopted by the commission. For the commission to consider
19 a grant application, the application must first be reviewed and approved
20 by the chief judge of the county and the board of county commissioners.

21 (2) (a) Grants from the fund may only be used to fund counties
22 that meet the requirements set forth in ~~paragraph (b) of this subsection~~ (2)
23 SUBSECTION (2)(b) OF THIS SECTION and the criteria specified in
24 subsection (4) of this section to:

25 (I) Commission master planning services;

26 (II) Serve as matching funds or leverage grant funding
27 opportunities; ~~or~~

1 (III) Address emergency needs due to the imminent closure of a
2 court OR JAIL facility; OR

3 (IV) PAY UP TO FIFTY PERCENT OF A COUNTY'S ANNUAL
4 VOTER-APPROVED DEBT SERVICE ON ANY COUNTY-APPROVED FINANCING
5 OF THE CONSTRUCTION OR REMODELING COSTS OF A COURT OR JAIL
6 FACILITY.

7 (b) Grants from the fund may only be awarded to a county when:

8 (I) The county has demonstrated good faith in attempting to
9 resolve the issues before seeking a grant from the fund;

10 (II) The county has agreed to disclose pertinent financial
11 statements to the commission or the state court administrator for review;
12 and

13 (III) The state court administrator is satisfied that the county does
14 not have significant uncommitted reserves.

15 (c) Grants from the fund may not supplant any county funding for
16 a county that has the means to support its court facility OR JAIL FACILITIES.

17 (d) The approval of a grant shall DOES not result in the state or
18 commission assuming ownership or liability for a county courthouse or
19 other county COURT OR JAIL facility. that houses county offices and
20 employees. The county shall continue to have ownership and liability for
21 all such facilities.

22 (e) Once a county is awarded a grant, the county shall EITHER
23 complete the project as designated and described in the grant award, OR
24 USE THE GRANT TO PAY THE VOTER-APPROVED DEBT SERVICE ON ANY
25 COUNTY-APPROVED FINANCING OF THE CONSTRUCTION OR REMODELING
26 OF A COURT OR JAIL FACILITY.

27 (f) The commission shall develop a compliance review process to

1 ensure that counties are using each grant as specified in the grant award.

2 (3) Counties that meet all four of the criteria specified in
3 subsection (4) of this section must be given the highest priority for
4 need-based grants for underfunded ~~courthouse~~ COURT OR JAIL facilities
5 pursuant to this part 3.

6 (4) Counties that meet at least two of the following criteria qualify
7 for need-based grants for underfunded ~~courthouse~~ COURT OR JAIL
8 facilities pursuant to this part 3:

9 (5) GRANTS MAY ALSO BE AWARDED TO A COUNTY TO BE USED TO
10 PAY UP TO FIFTY PERCENT OF A COUNTY'S ANNUAL VOTER-APPROVED DEBT
11 SERVICE ON ANY COUNTY-APPROVED FINANCING, INCLUDING A
12 LOW-INTEREST LOAN ALLOWED IN SECTION 13-1-305.5, FOR CAPITAL
13 CONSTRUCTION OR REMODELING COSTS OF A COURT OR JAIL FACILITY.

14 **SECTION 6.** In Colorado Revised Statutes, **add** 13-1-305.5 as
15 follows:

16 **13-1-305.5. Low-interest loans for counties for financing the**
17 **capital construction or remodeling costs of a court or jail facility.**

18 (1) (a) (I) THE COMMISSION MAY ENTER INTO A CONTRACT WITH A BANK
19 OR A NONDEPOSITORY COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION
20 TO ESTABLISH AND ADMINISTER A REVOLVING LOAN PROGRAM FOR ANY
21 COUNTY THAT MEETS THE CRITERIA SET FORTH IN SUBSECTION (1)(b) OF
22 THIS SECTION THAT SEEKS TO FINANCE THE CAPITAL CONSTRUCTION OR
23 REMODELING COSTS OF A COURT OR JAIL FACILITY. THE SELECTION OF
24 SUCH BANK OR NONDEPOSITORY COMMUNITY DEVELOPMENT FINANCIAL
25 INSTITUTION MUST BE MADE FOLLOWING AN OPEN AND COMPETITIVE
26 PROCESS.

27 (II) A COUNTY MUST APPLY FOR A LOAN TO THE COMMISSION

1 THROUGH THE STATE COURT ADMINISTRATOR, USING THE APPLICATION
2 FORM PROVIDED BY THE COMMISSION, IN ACCORDANCE WITH THE
3 TIMELINES AND GUIDELINES ADOPTED BY THE COMMISSION. FOR THE
4 COMMISSION TO CONSIDER A LOAN APPLICATION, THE APPLICATION MUST
5 FIRST BE REVIEWED AND APPROVED BY THE CHIEF JUDGE OF THE COUNTY
6 AND THE BOARD OF COUNTY COMMISSIONERS, AND IF APPROVED, THE
7 COUNTY MUST FIRST SEEK VOTER-APPROVAL AS REQUIRED UNDER SECTION
8 20 (4)(b) OF ARTICLE X OF THE STATE CONSTITUTION PRIOR TO THE
9 CLOSING OF THE LOAN.

10 (b) (I) COUNTIES THAT MEET AT LEAST TWO OF THE FOLLOWING
11 CRITERIA QUALIFY FOR LOANS PURSUANT TO THIS SECTION:

12 (A) COUNTIES IN WHICH THE TOTAL POPULATION IS BELOW THE
13 STATE MEDIAN, AS DETERMINED BY THE MOST RECENT DATA PUBLISHED
14 BY THE DEPARTMENT OF LOCAL AFFAIRS;

15 (B) COUNTIES IN WHICH THE PER CAPITA INCOME IS BELOW THE
16 STATE MEDIAN, AS DETERMINED BY THE MOST RECENT DATA PUBLISHED
17 BY THE DEPARTMENT OF LOCAL AFFAIRS;

18 (C) COUNTIES IN WHICH PROPERTY TAX REVENUES ARE BELOW THE
19 STATE MEDIAN, AS DETERMINED BY THE MOST RECENT DATA PUBLISHED
20 BY THE DEPARTMENT OF LOCAL AFFAIRS; OR

21 (D) COUNTIES IN WHICH THE TOTAL COUNTY POPULATION LIVING
22 BELOW THE FEDERAL POVERTY LINE IS GREATER THAN THE STATE MEDIAN,
23 AS DETERMINED BY THE MOST RECENT CENSUS PUBLISHED BY THE UNITED
24 STATES BUREAU OF THE CENSUS.

25 (II) COUNTIES THAT MEET ALL FOUR OF THE CRITERIA SPECIFIED IN
26 SUBSECTION (1)(b)(I) OF THIS SECTION MUST BE GIVEN THE HIGHEST
27 PRIORITY FOR LOANS PURSUANT TO THIS SECTION.

1 (c) (I) THE LOAN PROGRAM IS CAPITALIZED BY THE GENERAL FUND
2 TRANSFER SPECIFIED IN SECTION 13-1-304 (1)(b).

3 (II) THE COMMISSION MAY ADVANCE MONEY IN THE FORM OF A
4 GRANT OR PAYMENT TO THE BANK OR NONDEPOSITORY COMMUNITY
5 DEVELOPMENT FINANCIAL INSTITUTION PRIOR TO LOANS ACTUALLY BEING
6 MADE.

7 (2) AS PART OF ADMINISTERING THE LOAN PROGRAM, THE BANK OR
8 A NONDEPOSITORY COMMUNITY DEVELOPMENT FINANCIAL INSTITUTION
9 SHALL ESTABLISH AN APPLICATION FEE, AN ORIGINATION FEE, AND
10 CLOSING COST POLICIES, SET ITS OWN UNDERWRITING AND RISK
11 MANAGEMENT POLICIES, AND SHALL DETERMINE INTEREST RATES, LOAN
12 TERMS, AND MAXIMUM ASSISTANCE LEVELS IN GUIDELINES ADOPTED BY
13 THE COMMISSION; EXCEPT THAT THE PROGRAM SHALL BE ADMINISTERED
14 IN SUCH A WAY SO THAT LOANS ARE PROVIDED TO COUNTIES AT INTEREST
15 RATES LESS THAN THOSE AVAILABLE IN THE CURRENT INTEREST RATE
16 MARKET.

17 **SECTION 7.** In Colorado Revised Statutes, **amend** 13-1-306 as
18 follows:

19 **13-1-306. Legislative review - repeal.** The underfunded
20 ~~courthouse~~ COURT AND JAIL facility cash fund commission ~~repeals on~~ IS
21 REPEALED, EFFECTIVE September 1, 2024. Prior to repeal, the
22 underfunded ~~courthouse~~ COURT AND JAIL facility cash fund commission
23 is subject to review as provided in section 24-34-104. ~~C.R.S.~~

24 **SECTION 8.** In Colorado Revised Statutes, 24-34-104, **amend**
25 (25)(a)(IX) as follows:

26 **24-34-104. General assembly review of regulatory agencies**
27 **and functions for repeal, continuation, or reestablishment - legislative**

1 **declaration - repeal.** (25) (a) The following agencies, functions, or both,
2 are scheduled for repeal on September 1, 2024:

3 (IX) The underfunded ~~courthouse~~ COURT AND JAIL facility cash
4 fund commission created in part 3 of article 1 of title 13;

5 **SECTION 9. Safety clause.** The general assembly hereby finds,
6 determines, and declares that this act is necessary for the immediate
7 preservation of the public peace, health, and safety. <{*You need one for*
8 *the FY18-19 GF transfer.*>